



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

## **AGRICULTURAL DEVELOPMENT TASK FORCE**

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### **MINUTES**

TUESDAY, DECEMBER 1, 2015  
CITY COUNCIL COMMITTEE MEETING ROOM  
2<sup>nd</sup> FLOOR

Members Present: Charley Ice, Yukio Kitagawa, Jimmy Nakatani (arrived at 1:17 p.m.), Dean Okimoto, Alan Takemoto  
Members Excused: Fred Humphrey  
Staff: Sharleen Oshiro, City Council staff

1. The meeting was called to order at 1:09 p.m. with a quorum present.

2. Approval of Minutes of May 5, 2014, approved as corrected.

AYES: Ice, Kitagawa, Okimoto, Takemoto - 4

NOES: None - 0

3. Reports: Update by Mayor's Agricultural Liaison, Dr. Po-Yung Lai. Dr. Lai reported that he has been in his present position since 2013. He then reported on the items that he is currently working on. 1) Promotion of "Buy Hawaii". He said this is very important and will be more so as farming on the Galbraith lands will increase production. With regard to the Galbraith lands, he is working with ADC [Agriculture Development Corp] in training the farmers (most of whom are from foreign countries) to make sure the farmers come in with the right tools and knowledge about farming. These farmers have been farming in their respective countries in the past so farming is not new to them but they are not familiar with some of the issues and concerns of importance to local farmers including pesticide use and food safety. They are working with Yuki[o Kitagawa] and the UH College of Tropical Agriculture and Human Resources (CTAHR). They are starting with soil, water, and basic nutrition and will follow up with one on one consultation. They want to make sure that the farmers get everything right before they start farming. 2) Dr. Lai is working on a program for export ready commodities for produce. He is working with Pa'ina Hawaii on irradiation to make products export ready.

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Example: ong choy is very popular on the east coast so demand from Hawaii is very high.

3) Value added program. Met with farmers and processor last year. Now working on actual product. Example: sweet basil and turmeric. Yuki is lead on this. CTAHR testing a solar drying facility which is funded by federal funds. 4) Dr. Lai is involved in the Important Agricultural Lands project but will defer to DPP to make the presentation. Dr. Lai also is keeping tabs on the fire ant and coconut rhinoceros beetle issues.

At this time, Chair Takemoto recognized member Jimmy Nakatani's arrival.

Upon questioning by the members, Dr. Lai confirmed that the title to Galbraith lands is held by the ADC. Regarding the soil quality, the land is former pineapple land so the pH is high and they are trying to neutralize it by adding compost. Upon further questioning, he responded that they are working with CTAHR on the export of turmeric. Recipe from CTAHR is much better than the dark turmeric imported from India. Regarding the training, the four sessions are completed, led by Yuki. Next training will be with the Dole farmers. He was asked if "old farmers" can be included, and he responded that if it's needed, they can do it. It was agreed that it's a good idea, especially since the "old farmers" have requested update regarding pesticides and food safety. It was suggested that they work through the Farm Bureau to send out notices about the classes to all member farmers. Dr. Lai invited the members to contact him if they have any further questions or suggestions.

Chair Takemoto thanked Dr. Lai for his presence and his report.

4. Important Agricultural Lands (IAL). Mr. Tim Hata, Department of Planning and Permitting (DPP) shared a written update on the project with the members of ADTF. His presentation followed his written summary. He noted that at the last meeting of ADTF DPP had just concluded Phase I and were beginning on Phase II. Helber Hastert & Fee Planners, Inc. was contracted to continue to assist in Phase II. The objective is to prepare and submit a draft IAL map and a report to the City Council recommending where IAL should be designated on Oahu. DPP anticipates submitting the draft to the council in the fall of 2016. Current phase focused on community engagement. In order to accomplish this objective, DPP had three focus group meetings, six regional community meetings, a project website. Some highlights of the previous year up to the present include the Technical Advisory Committee's (TAC) top 3 mapping criteria out of 9 considered (8 are outlined by State law, the 9<sup>th</sup> was offered by a TA member). Those top three are sufficient quantities of water to support agricultural production, lands currently used for agricultural production, and soil qualities and growing conditions that support agricultural production. Project website launched in April, [mapoahuagland.com](http://mapoahuagland.com). TAC is scheduled to meet on December 8, 2015 to review comments and give final recommendation on criteria to use to develop a draft IAL map. Future steps include analyze public comments, notify landowners, and develop draft IAL map to be presented to next community meeting. A second round of community meeting will be held. In Fall of 2016 DPP plans to transmit the final IAL map and project report to the council for review and adoption by resolution. The City's package will then be forwarded to the State Land Use Commission for review and action.

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Upon questioning, it was noted that soil and water quality will be displayed as layers on the map, although some criteria will only apply to partial parcels. It was also noted that community input could change the maps, depending on the TAC's review. With regard to notification to landowners, they will be notified in the first quarter of 2016. Some have already been approached, like Castle & Cooke and a small landowner in Haleiwa. With regard to funding, DPP does not see a need for additional funding. However, there was no funding for DPP to come up with incentives for landowners, so the focus will be kept on the land and the value on the land. There are some incentives already in place including no building permit and no code compliance. Also a huge property tax exemption. With regard to negative comments, the only ones received were unrelated to the subject matter (e.g., TMT, GMO, Hoopili). Everything is on the website.

5. Real Property Tax Agricultural Dedication. Representatives of the Department of Budget and Fiscal Services included Gary Kurokawa, Deputy Director, and Lee Ideoka, Chief Assessment Officer of the Real Property Assessment Division, and Paula Fukuda, Agricultural Specialist for the Real Property Office, who testified on the issue. Mr. Kurokawa outlined the process for the agricultural tax dedication and suggested some changes. The deadlines are set by law. Maybe can have a middle tier before dedication actually removed. Already mail reminder before expiration date and still don't get timely renewal. Inserting another reminder creates a lot of unnecessary paperwork. Not sure if that is the answer. Application very simple. Maybe an education program for the farmers would help combined with their other education programs. Important for them to know tax consequences. Mr. Ideoka expressed concern that extension of deadline would affect other internal deadlines mandated by ordinance. Each farmer required to file annual status report on farming activities. Ms. Fukuda added that she is the person who processes the applications. She and her staff might deny about 10 out of 290 applications. They work with farmers to try to get the application approved. She is against any more deadlines so close to the assessment notice going out because not efficient. One of the members suggested that the notice be sent out by certified mail so there is a record of receipt. He and a number of other farmers in the area did not get the notice and the reminder. Ms. Fukuda stressed that it is the farmer's responsibility to file within the deadline. The problem arises when someone wants to file for the exemption after the deadline – such as in a case where the buyer closes a sale after the deadline and tries to file. Buyer will have to pay current valuation tax until the following year when exemption can take effect. Mr. Kurokawa explained that the buyer in this case could not get the exemption because the tax on the valuation has already been calculated into the following year's budget. Allowing the exemption at this point in time would have an impact on the budgeted projections. They are working with the State on the deadlines so the state can assist the farmers in getting ownership so they can file on time. one of the members suggested a floating deadline. However, it was explained that it would not work for budgeting purposes. One of the members pointed out that there is a gap in the budgeting process because there is no tax on state land and there would not be any

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income to be included in the state budget anyway. So farmers on state land could claim the deduction anytime and it would not affect the budget. Another member also pointed out, that on state agriculture land, he would not be on the land if he was not farming, so dedication is redundant. Deputy Director Kurokawa said they would look into it. Appeals process available but need justification other than missing deadline.

Chair Takemoto then asked for testifiers.

Brian Miyamoto, Hawaii Farm Bureau Executive Director, testified that they support 2,000 farmers in the State. They will take the lead to work to help the farmers with the application. They will also work with the Waimanalo Agricultural Association.

Brian Boltz, new state agriculture lessee, testified on his personal experience with the deadline and how the timing of his transaction just missed the filing deadline so he had to pay the tax on the actual valuation and will have to wait for the following year to qualify for the exemption. State did not notify him of tax. Notification went first to previous lessee, then found its way to him.

Members noted that coordination is needed between state and city.

Annette Lee, Waimanalo Agricultural Association testified that WAA knew of several farmers that did not renew their tax dedication because they had no notice. She suggested that the city do the following: 1) include the expiration year in the assessment notice; 2) send notice by certified mail so the city has a record of who received the notice; 3) include language on the annual dedication form, "any changes not reported will have a huge penalty"; 4) State Departments of Agriculture and Land and Natural Resources should put together a package of benefits information; and 5) regarding gap area, suggest give rebate for the following year. Ms. Lee also testified that she has received letters from WAA members that she will submit at a later time.

Sandy Kasman, WAA, testified that she and partner have two agriculture leases. She suggested that the city conduct verification of a landowner's agricultural exemption.

It was suggested by one of the members that the Farm Bureau work with the tax department to work out some of these issues.

6. Announcements. There were no announcements.

7. Adjournment. The meeting was adjourned at 3:02 p.m.